



INTERIM REPORT **Q1** 2021

TECHNOLOGY • INNOVATION • SUSTAINABILITY

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Unless otherwise stated, all amounts have been stated in SEK million. Certain financial data has been rounded in this Interim Report. Where the sign “–” has been used, this either means that no number exists or the number rounds to zero. This English version of the Interim Report is a translation of the Swedish original. If there are any differences the latter shall prevail.





First quarter in brief

- **Net sales**

MSEK 432 (456) – sales were down –5% year-on-year. After adjusting for impact of currency (–10%) and Allied Enterprises (+5%) sales year-on-year remained flat.

- **Operating income**

MSEK 95 (87), generating an operating margin of 21.9% (19.1).

- **Net income for the period**

MSEK 72 (60); basic EPS of SEK 1.90 (1.60).

- **Cash flow from operating activities**

MSEK 73 (81); continuing strong cash generation.

- **Group's net debt**

MSEK –90 (27); gearing ratio of –7% (2). Net remeasurement gain on pension liabilities of MSEK 115 drove the reduction in net debt.

Key figures – Group¹⁾

MSEK	Jan–Mar			Apr–Mar	Jan–Dec
	2021	2020	Change	2020/21	2020
Net sales	432	456	–5%	1,478	1,502
Operating income before items affecting comparability	95	87	9%	299	291
Operating income	95	87	9%	284	276
Earnings before tax	87	80	9%	263	256
Net income for the period	72	60	20%	217	205
Cash flow from operating activities	73	81	–10%	329	337
Net debt ²⁾	–90	27	–433%	–90	86
Operating margin before items affecting comparability, %	21.9	19.1	2.8	20.2	19.4
Operating margin, %	21.9	19.1	2.8	19.2	18.4
Basic EPS before items affecting comparability, SEK	1.90	1.60	0.30	6.02	5.73
Basic EPS, SEK	1.90	1.60	0.30	5.73	5.43
Diluted EPS, SEK	1.89	1.60	0.29	5.72	5.42
Return on equity, %	18.0	25.4	–7.4	18.0	17.5
Gearing ratio, %	–7	2	–9	–7	8

1) For additional information see pages 27–28 and 31.

2) For additional information see page 31.

Review of the first quarter

President and CEO, David Woolley, comments on the Q1 2021 Interim Report.

Market and sales development

Published market indices suggest production rates, blended to the Group's end-markets and regions were up by +18% year-on-year in the first quarter suggesting our key end-markets, Europe and North America continue to recover from the global pandemic. Group sales in constant currencies and excluding our recent acquisition were broadly flat year-on-year, with sales growth in Europe and Rest of World and a small sales decline in the Americas. Reported sales continue to be affected by the strength of the Swedish Krona against most of the major currencies, in particular the US Dollar, therefore reported sales for the first quarter were down year-on-year by -5%.

Whilst demand from our end market applications has continued to increase, the general industry supply chain has struggled to meet the new demand during quarter one, resulting in an increase in our sales order backlog. Our purchasing and production teams have done an incredible job this quarter managing the volatility in our customer order schedules to satisfy their near term demands, and we expect to catch back the order backlog during the coming months.

Our underlying sales in constant currencies this quarter are MSEK 40 or +10% higher than the fourth quarter 2020 driven by the improving demand for both our engine and hydraulic products. With the inclusion of our recent acquisition, Allied Enterprises, our reported sales increased by a further MSEK 21, which was consistent with our expectations.

Concentric Business Excellence – managing operating margins and cash

As demand for our products continues to increase, our Concentric Business Excellence program ensured we were able to meet the increase in customer demand whilst controlling the cost of capacity. This program and our employee's resilience and



ability to adapt to an ever-changing environment ensured the reported operating margin was 21.9% (19.1) for the first quarter. Operating cash flow for the quarter was MSEK 73 with a good operating income to operating cash conversion ratio. As sales grow, so does our working capital investment and during this quarter there was a slight increase quarter-on-quarter of MSEK 4, driven by an increase in inventory. Cash and cash equivalents also increased during the quarter from MSEK 505 at the end of the 2020 to MSEK 578 (582) and we report a gearing ratio of -7% (2) at the end of Q1 2021.

Electrification – continuing to win e-Pump orders

Customers continue to drive towards CO₂ neutrality and zero emissions and Concentric has the technology and innovation to support these developments with world-class e-Pump solutions. Our critical success factor has been to develop and offer a wide range of high performance, high efficiency pumps with low to high-pressure capability along with the ability to integrate these pumps seamlessly with electric motors, controllers and software that delivers world-class reliability, low energy use and full diagnostic capability.

» New customer nominations for e-Pumps demonstrate Concentric continues to win in the electrification sector «

Over the last three years Concentric has issued numerous press releases announcing new customer nominations for our e-Pumps, and whilst individually the contract awards are modest, when aggregated they have a strategic importance. They demonstrate Concentric continues to be successful in the increasingly important electrification sector that offers exciting long-term sustainable growth opportunities.

Over the last two months, Concentric has announced five new customer nominations for either our electrohydraulic steering system or oil e-Pumps. The total contract value over a five year period of all the published electrification customer nominations now totals MSEK 500. We reiterate our guidance first published in December 2019, sales of e-Pumps are expected to amount to as much as 20% of Group sales by 2025.

Outlook

Demand for both our engine and hydraulic products continues to improve quarter-on-quarter. A key factor affecting our reported sales during the first quarter was the availability of critical raw materials. We expect our industry supply chain to stabilise meeting the new demand during the second quarter, but there will continue to be some isolated disruption. India also remains a concern, the recent escalation of Covid-19 cases means there could be disruption in our component sourcing from that region, and of course for our employees in our Pune facility. We will continue to monitor the situation closely.

The orders received, and expected to be fulfilled during the second quarter of 2021, were slightly ahead of the sales levels of the first quarter in 2021. We also expect the majority of the sales order backlog, predominantly relating to our North American businesses, will be supplied to our customers during the second quarter.

Market indices suggest that production volumes blended to Concentric's end markets and regions will be up +9% year-on-year for 2021. The financial position of Concentric remains strong, both capital structure and liquidity and Concentric remains committed to meeting our customers' requirements.



Developing products for our tomorrow

10 MARCH 2021

Major US OEM awards Concentric AB a new contract to supply electro hydraulic steering (EHS) pumps for the next generation steering system on electric refuse trucks

Concentric AB has been awarded a strategically important contract for its EHS pump by a major global US OEM which will be used in their new electric refuse truck. These trucks will be deployed across the US starting in New York, the world's largest municipal sanitation department. Production will start in 2021 and sales revenues from this new contract are estimated to be worth MSEK 16 over the next five years.

Local city regulations continue to drive increased demand for electric commercial vehicles as cities legislate to reduce CO₂

emissions to achieve their greenhouse gas goals. Buses were the first vehicles to be electrified and forecasts suggest all city buses in Europe, US and China will be either hybrid or fully electric by 2025. This trend to convert inner city commercial vehicles from the internal combustion engine to electrified powertrains is extending to small- and medium-duty trucks and offers Concentric exciting growth opportunities.

25 MARCH 2021

Concentric AB partners with hybrid and electric systems provider MAGTEC to develop a new electric oil pump for refuse truck applications

Concentric AB has extended its customer base with a supplier nomination from MAGTEC, a UK supplier of hybrid and electric drive systems used in zero emission refuse vehicles. A new electric oil pump has been developed for main traction motor cooling. Production will start during 2021 and sales revenues from this new contract are estimated to be MSEK 50 over the next five years.

The electric oil pump has the following key benefits:

- Robust design which includes a wet rotor eliminating the possibility of a dynamic seal failure,
- Long service life aided by liquid cooled electronics and DC brushless design giving service life >40,000 hours,
- Integrated diagnostics and utilising sensors for temperature and pressure, and
- Compact and low noise characteristics.

8 APRIL 2021

Concentric AB wins a strategically significant contract for its electro hydraulic steering (EHS) pumps for the next generation electric emergency utility trucks

Concentric AB announces an important OEM nomination for its EHS pumps to be used on electric emergency utility trucks. As local city regulations drive increased demand for electric commercial vehicles, these EHS customer nominations become increasingly important in a sector which presents exciting long-term growth opportunities. Production will start in 2021 and sales revenues from this new contract are estimated to be worth MSEK 21 over the next five years.

The Concentric AB electro-hydraulic steering pump is now used in many applications around the world. The combination of the rugged and durable 24V brushless DC motor and controller, coupled up with a highly efficient hydraulic steering pump offers our customers >40,000 hours of performance and reliability.

20 APRIL 2021

Concentric AB electric coolant pump selected for high power density engine with leading global OEM for off-highway vehicles

Concentric AB has been awarded a contract to supply electric coolant pumps to a leading global OEM launching their new heavy-duty industrial engine for use in off-highway applications. This new engine will be an additional option to the OEM's current range offering enhanced performance by increasing power density. Production will start in 2021 and sales revenues from this new contract are estimated to be worth MSEK 10 over the next five years.

The electric water pump has the following key benefits:

- Robust design which includes the a wet rotor eliminating the possibility of a dynamic seal failure,
- Long service life aided by liquid cooled electronics and DC brushless design giving service life >40,000 hours,
- Integrated diagnostics and utilising sensors for temperature and pressure, and
- Compact and low noise characteristics.



4 MAY 2021

Concentric AB partners with a global leader in driveline technology to develop a new electric oil pump for advanced start/stop capability

Concentric AB has partnered with a global Tier 1 manufacturer of fully automatic transmissions for medium- and heavy-duty commercial vehicles to develop a new fully electric oil pump for use within their “start/stop” technology. Production will start in 2022 and sales revenues from this new contract are estimated to be worth MSEK 45 over the next five years.

Advanced “start/stop” technology will be offered as an option across their entire range of transmissions and will enable a reduction in CO₂ emissions of up to 6% in urban applications. This new electric oil pump also uses Concentric AB’s wet rotor

design concept that eliminates the possibility of a dynamic seal failure. The design enables proper thermal management for the pump unit throughout its entire operation ensuring longer high performance duty cycles.

The low noise e-Pump is ultra-compact due to its high power density and liquid cooled electronics making packaging easier. The brushless DC motor with integrated drive electronics is able to supply a high torque already from stand still. The technologies combined in the pump allows for a service life >40,000 hours.

First quarter figures

Key figures¹⁾

Amounts in MSEK	Jan-Mar			Apr-Mar	Jan-Dec
	2021	2020	Change	2020/21	2020
Net sales	432	456	-5%	1,478	1,502
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Net income for the period	72	60	20%	217	205
Operating margin before items affecting comparability, %	21.9	19.1	2.8	20.2	19.4
Operating margin, %	21.9	19.1	2.8	19.2	18.4
ROCE, %	25.7	37.6	-11.9	25.7	25.2
Return on equity, %	18.0	25.4	-7.4	18.0	17.5
Basic EPS before items affecting comparability, SEK	1.90	1.60	0.30	6.02	5.73
Basic EPS, SEK	1.90	1.60	0.30	5.73	5.43
Diluted EPS, SEK	1.89	1.60	0.29	5.72	5.42

1) For additional information see pages 27-28 and 31.

Sales

Reported net sales for the first quarter were down year-on-year by -5%. After adjusting for the impact of currency (-10%) and the impact of the Allied Enterprises acquisitions (+5%), sales in constant currency were flat. All our major trading currencies have weakened against the SEK year-on-year, particularly the USD, which has weakened 13%. However, there is strong demand from our customers as sales have grown quarter-on-quarter by 10% in constant currency and a strong order intake has increased the book to bill ratio to 127%, up from 112% in Q4 2020.

All of our end markets in the first quarter have strengthened, particularly the agricultural machinery markets in both North America and Europe. Sales into our crucial European truck end market sector have grown 11% year-on-year.

Operating income

The operating margin for the first quarter was 21.9% (19.1), a strong performance driven by the sales increase quarter-on-quarter and a cost base which was restructured in 2020. Income from our joint venture (JV) Alfdex has increased to MSEK 17 (7) with the recovery of the medium- and heavy-duty truck sector in North America and Europe and stronger production volumes in China following our investment in new facilities.

Net financial items

Net financial expenses in the first quarter comprised of pension financial expenses of MSEK 4 (4) and other net interest expenses of MSEK 4 (3).

Taxes

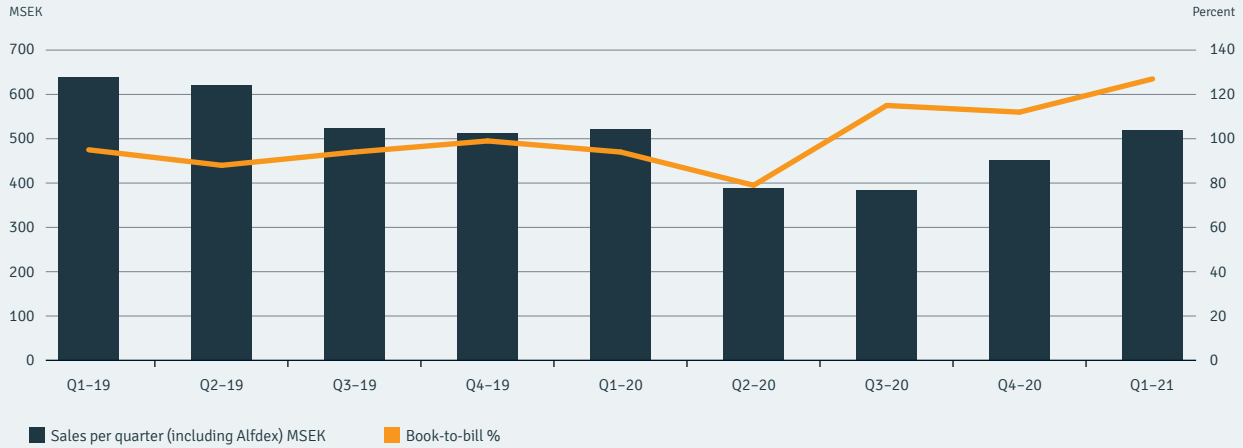
The reported effective tax rate for the first quarter was 17% (24). The decrease in the tax rate depends mostly on higher impact from share of net income in joint venture. The tax rate is also reflected by the mix of taxable earnings and tax rates applicable across the various tax jurisdictions. The underlying tax rate is circa 21%.

Earnings per share

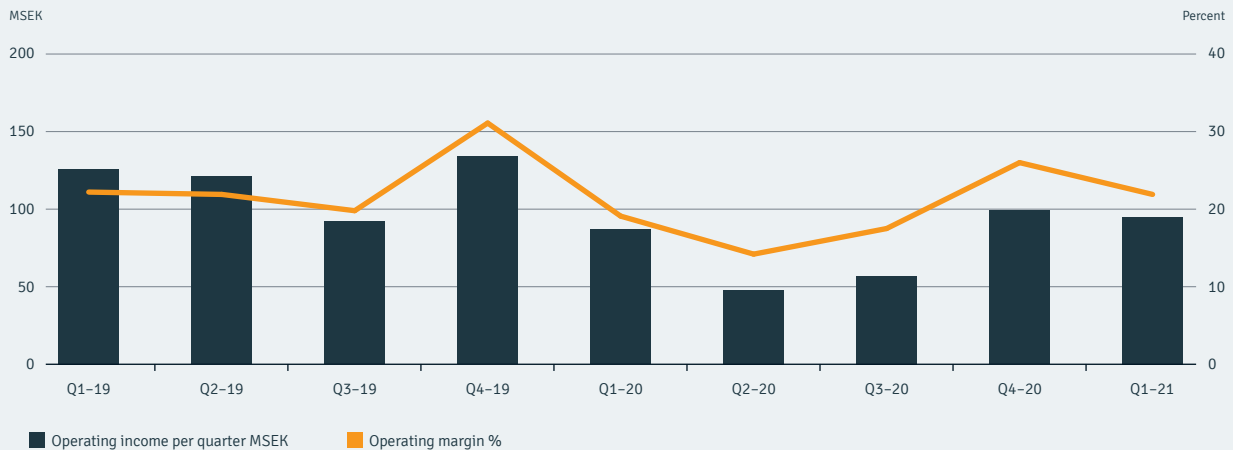
The basic earnings per share for the first quarter was SEK 1.90 (1.60), up SEK 0.30 per share.

Graphs – Concentric Group

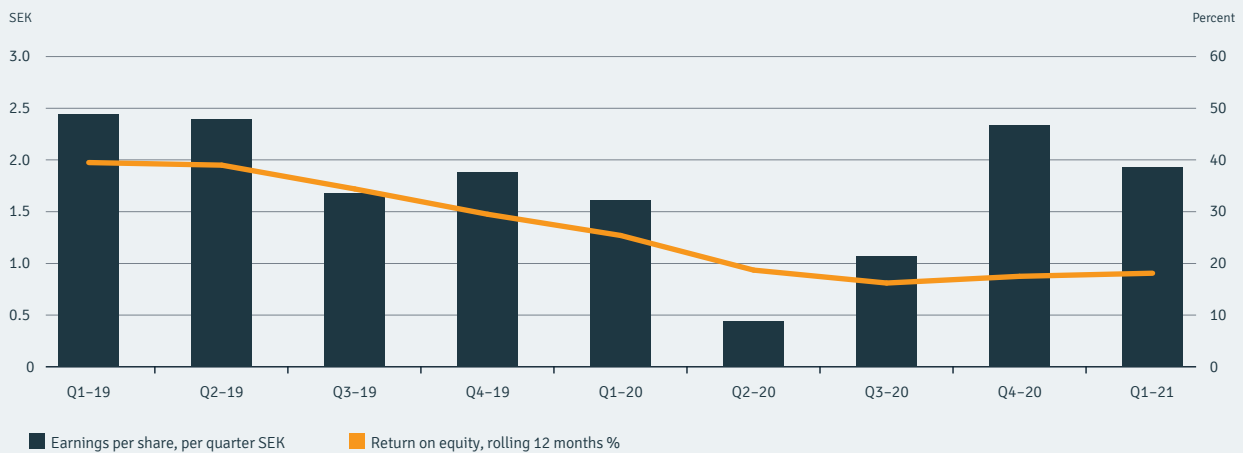
Sales and book-to-bill



Underlying operating income and margins



Earnings per share and return on equity



Net sales and operating income by region

Americas

Amounts in MSEK	Jan-Mar			Apr-Mar	Jan-Dec
	2021	2020	Change	2020/21	2020
External net sales	174	189	-8%	636	651
Operating income before items affecting comparability	26	21	24%	100	95
Operating income	26	21	24%	98	93
Operating margin before items affecting comparability, %	14.9	11.3	3.6	15.6	14.6
Operating margin, %	14.9	11.3	3.6	15.2	14.2
ROCE, %	29.0	42.7	-13.7	29.0	28.4

Sales for the first quarter were down year-on-year by -8%. After adjusting for the impact of currency (-17%) and the acquisition of Allied Enterprises (+13%), sales in constant currency were down -4%.

In the first quarter, demand in the North American market increased substantially with quarter-on-quarter increases in trucks, agricultural machinery and construction equipment. Concentric sales in North America increased 3% quarter-on-

quarter in constant currency, excluding Allied Enterprises, indicating a strong post pandemic rebound. Demand in South America followed a similar trend with industrial applications lagging the other end markets. Strong order intake resulted in a book-to-bill in Q1 2021 of 141%, up from 102% in Q4 2020.

Operating margin in the first quarter was 14.9% (11.3) on lower sales resulting from strong cost control under the Concentric Business Excellence program.

Europe & RoW

Amounts in MSEK	Jan-Mar			Apr-Mar	Jan-Dec
	2021	2020	Change	2020/21	2020
External net sales (including Alfdex)	345	336	3%	1,117	1,108
Operating income before items affecting comparability	76	68	12%	212	204
Operating income	76	68	12%	199	191
Operating margin before items affecting comparability, %	22.1	20.2	1.9	19.0	18.4
Operating margin, %	22.1	20.2	1.9	17.9	17.2
ROCE, %	26.7	36.8	-10.1	26.7	25.4

Sales for the first quarter were up year-on-year by 3%. After adjusting for the impact of currency (-5%), sales in constant currency were up 8%.

Demand in our European markets has been strong across all end market sectors with Concentric sales to each end market sector showing double digit quarter-on-quarter growth in constant currency.

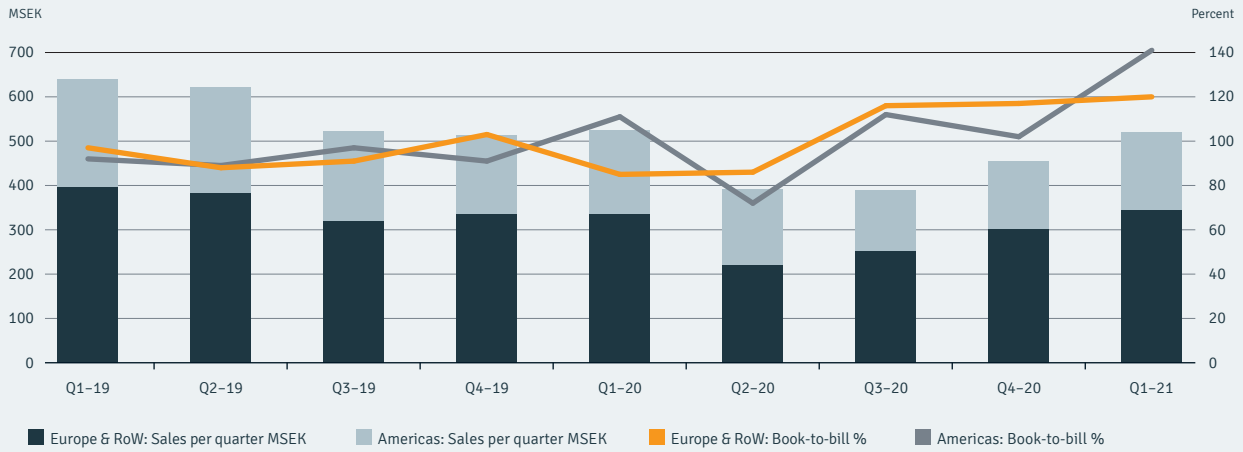
The Indian market is also showing strong growth as Concentric sales have increased 24% quarter-on-quarter in constant currency. Strong production levels and order levels have maintained a book-to-bill ratio of 120% compared to 117% in Q4.

The operating margin in the first quarter was 22.1% (20.2) resulting from strong cost control under the Concentric Business Excellence program.

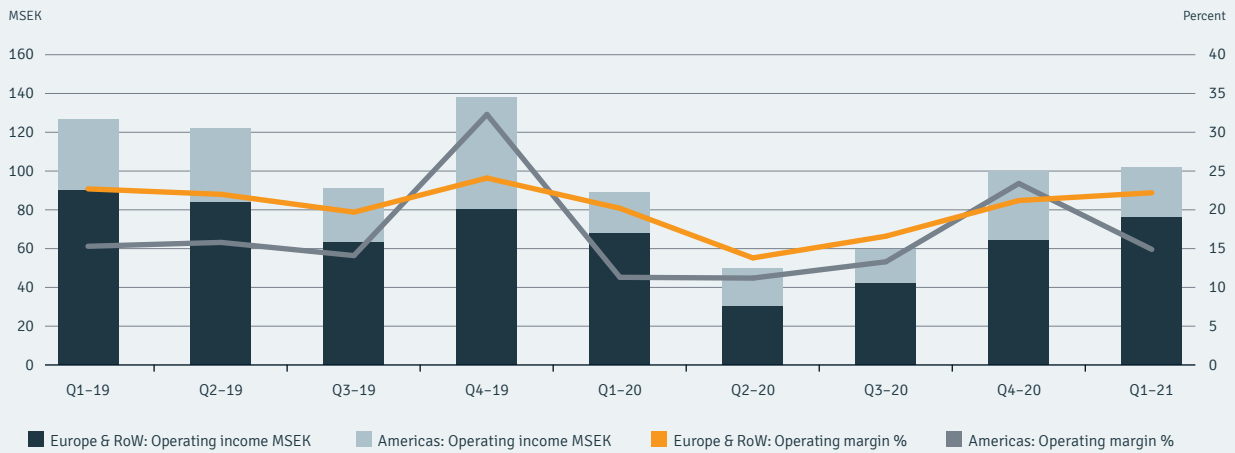


Graphs by region

Sales and book-to-bill



Underlying operating income and margins



Market development

The market continues to recover from the global pandemic with growth in most regions and end market applications.

Americas end-markets

NORTH AMERICA

- Sales into agricultural machinery and construction equipment were up year-on-year in the first quarter, particularly agricultural equipment which grew substantially in constant currency.
- The industrial applications and truck sectors declined year-on-year. However, trucks grew quarter-on-quarter as the market continues to recover.
- Sales in constant currency in North America decreased by 11% year-on-year excluding the acquisition of Allied Enterprises.

SOUTH AMERICA

- Sales in the first quarter to our South American end-market applications delivered overall modest growth. Trucks, agricultural machinery and construction equipment sectors all grew year-on-year whilst the industrial applications sector remained broadly flat in constant currency.

TOTAL AMERICAS REGION

- Overall growth in South America partially offset the decrease in North America, resulting in an overall sales decline in the total Americas region of –4% in constant currency excluding the impact of Allied Enterprises.

Europe & RoW end-markets

EUROPE

- The crucial European truck market grew year-on-year as it continues to experience a strong recovery.
- Like North America, the European agricultural machinery market has been particularly strong.
- The industrial applications and construction equipment end market sectors have shown slight declines year-on-year.
- Sales in constant currency in Europe increased year-on-year by 10%.

REST OF THE WORLD

- Sales in India have declined year-on-year by 17% as they continue to be heavily impacted by the pandemic. The construction equipment and industrial application sectors showed growth whilst both trucks and agricultural machinery declined.
- Sales in China have remained broadly flat year-on-year in constant currency.
- Overall, the Rest of the World still only accounts for less than 10% of the Group's total revenues.

TOTAL EUROPE & REST OF THE WORLD REGION

- The overall Europe and RoW growth was 8% in constant currency.

Consolidated sales development

	Q1-21 vs. Q1-20			FY-21 vs. FY-20		
	Americas	Europe & RoW	Group	Americas	Europe & RoW	Group
Market – weighted average ¹⁾	14%	21%	18%	8%	10%	9%
Actual – constant currency ²⁾	–4%	8%	–%	–	–	–





1) Based on latest market indices blended to Concentric's mix of end-markets and locations.

2) Based on actual sales in constant currency, including Alfdex and excluding Allied Enterprises.

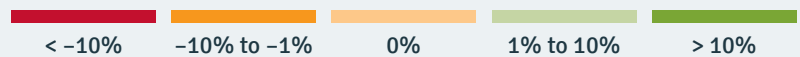
Overall, market indices suggest production rates, blended to the Group's end-markets and regions, were up 18% year-on-year for the first quarter. The markets continue to recover strongly across all regions and end market sectors following difficult trading in 2020. Actual sales in constant currency for the first quarter were flat for the Group.

The current published forecast market indices for 2021 show the Americas and Europe & ROW markets will continue to recover with growth of 8% and 10% indicated respectively. Market indices indicate the medium- & heavy-duty truck market in particular is forecast to show strong growth over the year.

As noted in previous interim reports, movements in the market indices tend to have timing differences compared with the Group's order intake.

	Q1-21 vs Q1-20					FY-21 vs FY-20				
	North America	South America	Europe	India	China	North America	South America	Europe	India	China
 Agriculture Diesel engines	33%	48%	26%	41%	29%	8%	17%	8%	10%	4%
 Construction Diesel engines	19%	16%	14%	22%	33%	8%	9%	6%	39%	8%
Hydraulic equipment	12%	n/a	5%	n/a	n/a	11%	n/a	3%	n/a	n/a
 Trucks Light vehicles	37%	n/a	n/a	n/a	n/a	11%	n/a	n/a	n/a	n/a
Medium and Heavy vehicles	29%	36%	24%	33%	-18%	15%	28%	12%	40%	-33%
 Industrial Other off-highway	23%	45%	21%	27%	24%	8%	34%	7%	-1%	0%
Hydraulic lift trucks	-8%	n/a	-1%	n/a	n/a	0%	n/a	7%	n/a	n/a

The market indices summarised in the table above reflect the Q1 2021 update of production volumes received from Power Systems Research, Off-Highway Research and the International Truck Association of lift trucks.



Current resources

Operational cash flow

The reported cash inflow from operating activities for the first quarter amounted to MSEK 73 (81), which represents SEK 1.91 (2.15) per share.

Working capital

Total working capital at 31 March 2021 was MSEK 7 (23), which represented 0.5% (1.2) of annual sales. Working capital increased marginally compared to 31 December 2020.

Net investments in fixed assets

The Group's net investments in tangible fixed assets amounted to MSEK 4 (3) for the first quarter.

Net debt and gearing

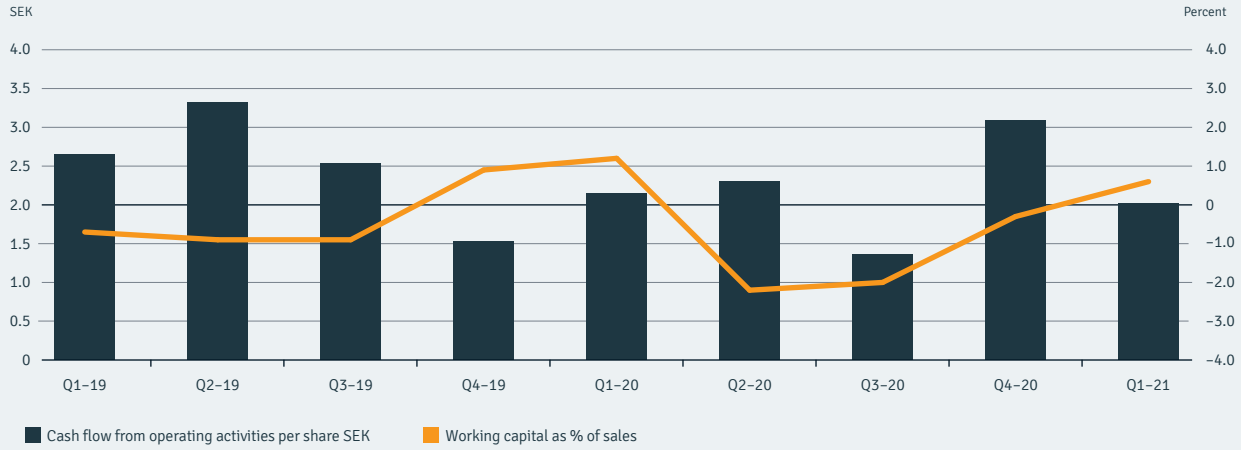
Following a review of the actuarial assumptions used to value the Group's defined benefit pension plans, a net remeasurement gain of MSEK 115 was recognised in net pension liabilities due to a reduction resulting from increases in the discount rate across all countries in which the Group has pension liabilities.

Overall, the Group's net debt at 31 March 2021 was MSEK -90 (27), comprising loans related to leasing MSEK 133 (99) and net pension liabilities of MSEK 355 (509), net of cash amounting to MSEK 578 (582). Shareholders' equity amounted to MSEK 1,312 (1,253), resulting in a gearing ratio of -7% (2) at the end of the first quarter.

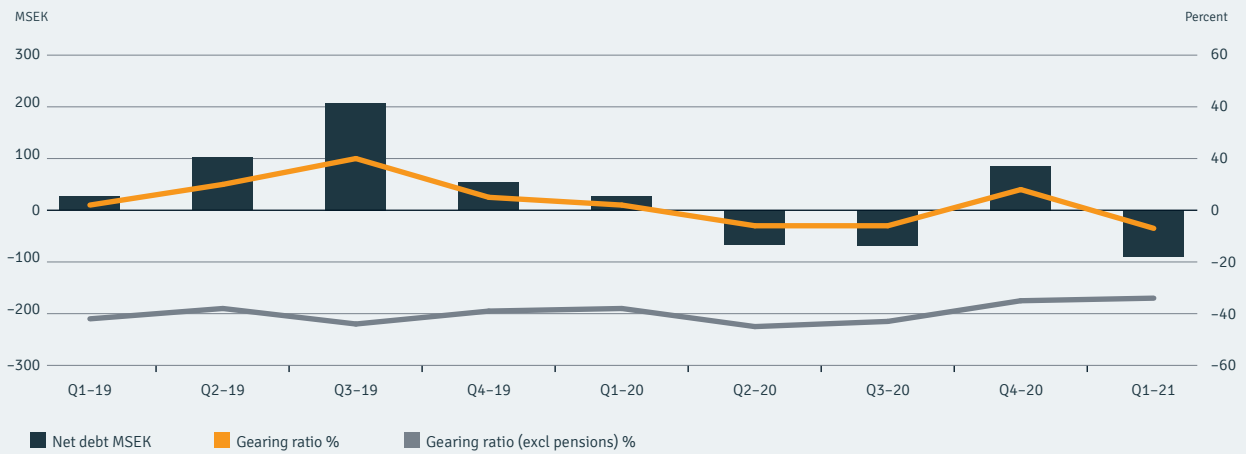
The Annual General Meeting on 22 April 2021 resolved, in accordance with the Board's proposal, on a dividend of SEK 3.50 (3.25) per share for 2020.



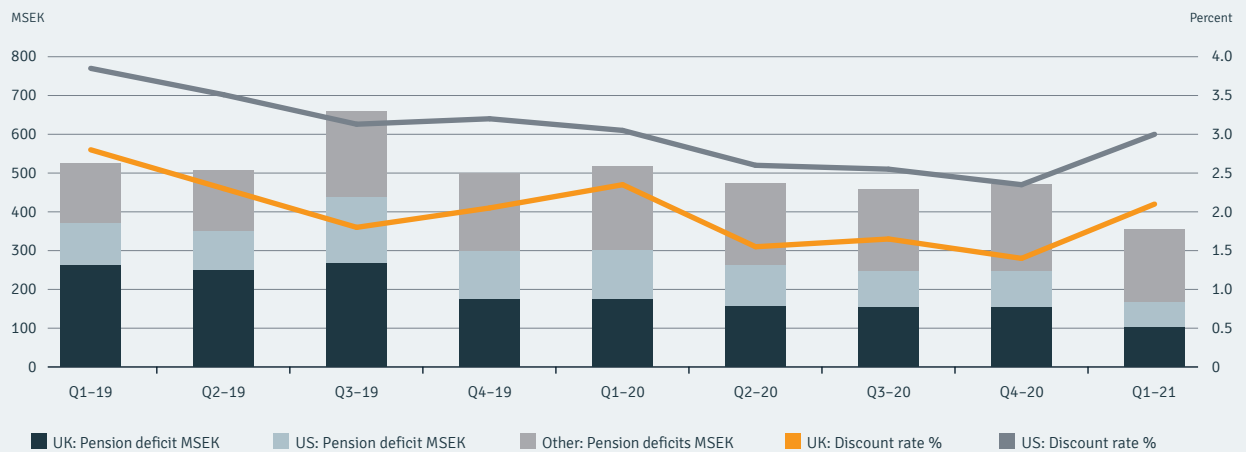
Cash flow from operating activities and working capital



Net debt and gearing



Net pension liabilities



Financial statements – Group

General information

Unless otherwise stated, all amounts have been stated in SEK million (“MSEK”). Certain financial data has been rounded in this interim report. Where the sign “–” has been used, this either means that no number exists or the number has been rounded to zero.

Consolidated income statement

	Jan–Mar		Apr–Mar	Jan–Dec
	2021	2020	2020/21	2020
Net sales	432	456	1,478	1,502
Cost of goods sold	-296	-315	-1,020	-1,039
Gross income	136	141	458	463
Selling expenses	-12	-16	-42	-46
Administrative expenses	-38	-36	-138	-136
Product development expenses	-8	-11	-25	-28
Share of net income in joint venture	17	7	31	21
Other operating income and expenses	–	2	–	2
Operating income	95	87	284	276
Financial income and expenses	-8	-7	-21	-20
Earnings before tax	87	80	263	256
Taxes	-15	-20	-46	-51
Net income for the period	72	60	217	205
Parent Company shareholders	72	60	217	205
Non-controlling interest	–	–	–	–
Basic earnings per share, before items affecting comparability, SEK	1.90	1.60	6.02	5.73
Basic earnings per share, SEK	1.90	1.60	5.73	5.43
Diluted earnings per share, SEK	1.89	1.60	5.72	5.42
Basic average number of shares (000)	37,870	37,767	37,840	37,815
Diluted average number of shares (000)	37,984	37,819	37,911	37,860

Consolidated statement of comprehensive income

	Jan–Mar		Apr–Mar	Jan–Dec
	2021	2020	2020/21	2020
Net income for the period	72	60	217	205
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Net remeasurement gains and losses	115	–	73	-42
Tax on net remeasurement gains and losses	-26	–	-16	10
<i>Items that may be reclassified subsequently to the income statement</i>				
Exchange rate differences related to liabilities to foreign operations	-40	-79	114	75
Tax arising from exchange rate differences related to liabilities to foreign operations	9	12	-19	-16
Cash-flow hedging	3	-2	4	-1
Tax arising from cash-flow hedging	-1	–	-1	–
Foreign currency translation differences	112	125	-204	-191
Total other comprehensive income	172	56	-49	-165
Total comprehensive income	244	116	168	40

Consolidated balance sheet

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Goodwill	695	683	649
Other intangible fixed assets	109	158	110
Right of use fixed assets	122	97	120
Tangible fixed assets	90	98	88
Share of net assets in joint venture	92	65	72
Deferred tax assets	95	153	107
Long-term receivables, joint venture	25	25	25
Other long-term receivables	3	4	4
Total fixed assets	1,231	1,283	1,175
Inventories	142	158	120
Current receivables	297	283	247
Cash and cash equivalents	578	582	505
Total current assets	1,017	1,023	872
Total assets	2,248	2,306	2,047
Total Shareholders' equity	1,312	1,253	1,067
Pensions and similar obligations	355	509	462
Deferred tax liabilities	15	21	15
Long-term liabilities for right of use fixed assets	115	84	111
Other long-term liabilities	4	4	5
Total long-term liabilities	489	618	593
Short-term liabilities for right of use fixed assets	18	15	18
Other short-term interest-bearing liabilities	–	1	–
Other current liabilities	429	419	369
Total current liabilities	447	435	387
Total equity and liabilities	2,248	2,306	2,047

Financial derivatives

The carrying amount of financial assets and financial liabilities are considered to be reasonable approximations of their fair values. Financial instruments carried at fair value on the balance sheet consist of derivative instruments. As of 31 March the fair

value of derivative instruments that were assets was MSEK 3 (0), and the fair value of derivative instruments that were liabilities was MSEK 0 (1). These measurements belong in level 2 in the fair value hierarchy.

Consolidated changes in shareholders' equity

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Opening balance	1,067	1,136	1,136
Net income for the period	72	60	205
Other comprehensive income	172	56	-165
Total comprehensive income	244	116	40
Dividend	–	–	-123
Own share buy-backs	–	–	–
Sale of own shares to satisfy LTI – options exercised	–	–	11
Long-term incentive plan	1	1	3
Closing balance	1,312	1,253	1,067

Consolidated cash flow statement, in summary

	Jan–Mar		Apr–Mar	Jan–Dec
	2021	2020	2020/21	2020
Earnings before tax	87	80	263	256
Reversal of depreciation and amortisation of fixed assets	21	20	87	86
Reversal of net income from joint venture	-17	-6	-32	-21
Reversal of other non-cash items	2	8	20	26
Taxes paid	-16	-15	-49	-48
Cash flow from operating activities before changes in working capital	77	87	289	299
Change in working capital	-4	-6	40	38
Cash flow from operating activities	73	81	329	337
Investments in subsidiaries	–	–	-95	-95
Net investments in property, plant and equipment	-4	-3	-11	-10
New loans paid to joint venture	–	-40	–	-40
Loans repayment from joint venture	–	15	–	15
Other repayment of long-term receivables	1	2	2	3
Net cash flow from long term receivables	1	-23	2	-22
Cash flow from investing activities	-3	-26	-104	-127
Dividend	–	–	-123	-123
Selling of own shares to satisfy LTI – options exercised	–	–	11	11
New loans	–	–	10	10
Repayment of loans	-5	-3	-33	-31
Pension payments and other cash flows from financing activities	-12	-18	-52	-58
Cash flow from financing activities	-17	-21	-187	-191
Cash flow for the period	53	34	38	19
Cash and bank assets, opening balance	505	531	582	531
Exchange-rate difference in cash and bank assets	20	17	-42	-45
Cash and bank assets, closing balance	578	582	578	505

Group notes

Data per share

	Jan–Mar		Apr–Mar	Jan–Dec
	2021	2020	2020/21	2020
Basic earnings per share before items affecting comparability, SEK	1.90	1.60	6.02	5.73
Basic earnings per share, SEK	1.90	1.60	5.73	5.43
Diluted earnings per share, SEK	1.89	1.60	5.72	5.42
Equity per share, SEK	34.64	33.18	34.64	28.18
Cash-flow from current operations per share, SEK	1.91	2.15	8.66	8.90
Basic weighted average no. of shares (000's)	37,870	37,767	37,840	37,815
Diluted weighted average no. of shares (000's)	37,984	37,819	37,911	37,860
Number of shares at period-end (000's)	37,870	37,767	37,870	37,870

Key figures ¹⁾

	Jan–Mar		Apr–Mar	Jan–Dec
	2021	2020	2020/21	2020
Sales growth, %	-5	-20	n/a	-25
Sales growth, constant currency, % ²⁾	–	-22	n/a	-23
EBITDA margin before items affecting comparability, %	26.7	23.4	26.1	25.1
EBITDA margin, %	26.7	23.4	25.1	24.1
Operating margin before items affecting comparability, %	21.9	19.1	20.2	19.4
Operating margin, %	21.9	19.1	19.2	18.4
Capital Employed, MSEK	1,165	1,180	1,165	1,081
ROCE before items affecting comparability, %	27.1	37.6	27.1	26.5
ROCE, %	25.7	37.6	25.7	25.2
ROE, %	18.0	25.4	18.0	17.5
Working Capital, MSEK	7	23	8	-4
Working capital as a % of annual sales	0.5	1.2	0.5	-0.3
Net Debt, MSEK ²⁾	-90	27	-90	86
Gearing ratio, %	-7	2	-7	8
Net investments in PPE	4	3	11	10
R&D, %	1.8	2.4	1.7	1.8
Number of employees, average	707	743	632	641

1) For additional information see pages 27–28 and 31.

2) Sales growth excludes the impact of any acquisitions or divestments. For additional information see page 31.

Consolidated income statement in summary – by type of cost

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Net sales	432	456	1,478	1,502
Direct material costs	-202	-210	-700	-708
Personnel costs	-97	-111	-329	-343
Depreciation and amortisation of fixed assets	-21	-20	-87	-86
Share of net income in joint venture	17	7	31	21
Other operating income and expenses	-34	-35	-109	-110
Operating income	95	87	284	276
Financial income and expense	-8	-7	-21	-20
Earnings before tax	87	80	263	256
Taxes	-15	-20	-46	-51
Net income for the period	72	60	217	205

Other operating income and expenses (refers to Income Statement on page 16)

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Tooling income	1	1	2	2
Royalty income from joint venture	6	9	42	45
Amortisation of acquisition related surplus values	-9	-10	-37	-38
UK pension benefit equalisation	-	-	-3	-3
Restructuring cost	-	-	-11	-11
Other	2	2	7	7
Other operating income and expenses	-	2	-	2

Segment reporting

The Americas segment comprises the Group's operations in the USA and South America. As our operations in India and China remain relatively small in comparison to our Western facilities, Europe & RoW continues to be reported as a single combined segment, in line with our management structure, comprising the Group's operations in Europe (including the proportional consolidation of Alfdex), India and China. The evaluation of an operating

segment's earnings is based upon its operating income or EBIT. Financial assets and liabilities are not allocated to segments.

Proportional consolidation of the joint venture company Alfdex is used in Europe & RoW in the segment reporting, but adjusted to equity accounting in the statements according to IFRS 11.

First quarter

	Americas		Europe & RoW		Elims-Adjs		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Total net sales	177	192	360	351	-105	-87	432	456
External net sales	174	189	345	336	-87	-69	432	456
Operating income	26	21	76	68	-7	-2	95	87
Operating margin, %	14.9	11.3	22.1	20.2	n/a	n/a	21.9	19.1
Financial income and expense	–	–	–	–	-8	-7	-8	-7
Earnings before tax	26	21	76	68	-15	-9	87	80
Assets	568	557	1,302	1,317	378	432	2,248	2,306
Liabilities	204	263	742	782	-10	8	936	1,053
Capital employed	377	346	747	816	41	18	1,165	1,180
ROCE before items affecting comparability, %	29.6	42.7	28.3	36.8	n/a	n/a	27.1	37.6
ROCE, %	29.0	42.7	26.7	36.8	n/a	n/a	25.7	37.6
Net investments in PPE	1	1	4	16	-1	-14	4	3
Depreciation and amortisation of fixed assets	6	7	17	15	-2	-2	21	20
Number of employees, average	251	258	551	567	-95	-82	707	743

Seasonality

Each end-market will have its own seasonality profile based on the end-users, e.g. sales of agricultural machinery will be linked to harvest periods in the Northern and Southern hemispheres. However, there is no significant seasonality in the demand profile of Concentric's customers and, therefore, the most significant driver is actually the number of working days in the period.

The weighted average number of working days in the first quarter was 63 (61) for the Group, with an average of 62 (61) working days for the Americas region and 63 (60) working days for the Europe & RoW region.

Segment External Sales reporting by geographic location of customer

	Jan–Mar							
	Americas		Europe & RoW		Elims–Adjs		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
USA	139	167	14	13	-13	-12	140	168
Rest of North America	3	10	3	2	–	–	6	12
South America	6	4	1	–	-1	–	6	4
Germany	2	2	106	104	-23	-17	85	89
UK	8	–	27	32	–	–	35	32
Sweden	–	–	42	38	-19	-14	23	24
Rest of Europe	2	1	93	98	-12	-11	83	88
Asia	13	4	52	48	-19	-15	46	37
Other	1	1	7	1	–	–	8	2
Total Group	174	189	345	336	-87	-69	432	456

Total sales by product groups

	Jan–Mar							
	Americas		Europe & RoW		Elims–Adjs		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Concentric branded Engine products	56	67	114	115	–	–	170	182
LICOS branded Engine products	–	–	55	50	–	–	55	50
Alfdex branded Engine products	–	–	87	69	-87	-69	–	–
Total Engine products	56	67	256	234	-87	-69	225	232
Total Hydraulics products	118	122	89	102	–	–	207	224
Total Group	174	189	345	336	-87	-69	432	456

Total sales by end-markets

	Jan–Mar							
	Americas		Europe & RoW		Elims/Adjs		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Trucks	17	20	191	195	-82	-69	126	146
Construction	57	60	60	64	–	–	117	124
Industrial	66	83	61	51	–	–	127	134
Agriculture	34	26	33	26	-5	–	62	52
Total Group	174	189	345	336	-87	-69	432	456



Business risks, accounting principles and other information

Related-party transactions

The Parent Company is a related party to its subsidiaries and joint venture. Transactions with subsidiaries and joint venture occur on commercial market terms. No transactions have been carried out between Concentric AB and its subsidiary undertakings and any other related parties that had a material impact on either the Company's or the Group's financial position and results.

Events after the balance-sheet date

There were no significant post balance sheet events to report.

Business overview

Descriptions of Concentric's business and its objectives, the excellence programme, its products, the driving forces it faces, market position and the end-markets it serves are all presented in the 2020 Annual Report on pages 6–9 and pages 14–33.

Significant risks and uncertainties

All business operations involve risk – managed risk-taking is a condition of maintaining a sustainable profitable business. Risks may arise due to events in the world and can affect a given industry or market or can be specific to a single company or group.

Concentric works continuously to identify, measure and manage risk, and in some cases Concentric is able to influence the likelihood that a risk-related event will occur. In cases in which such events are beyond Concentric's control, the aim is to minimise the consequences.

The COVID-19 pandemic has had a significant effect on the global economy and the demand for the Group's products and services. With the high uncertainty surrounding the situation and potential initiatives by authorities and customers, it is very difficult to predict the full financial impact that the situation may have on the Group for the coming quarters. As of March 31, there is no significant impact on any balance sheet items.

Otherwise the risks to which Concentric may be exposed are classified into four main categories:

- **Industry and market risks** – external related risks such as the cyclical nature of our end-markets, intense competition, customer relationships and the availability and prices of raw materials;

- **Operational risks** – such as constraints on the capacity and flexibility of our production facilities and human capital, product development and new product introductions, customer complaints, product recalls and product liability;
- **Legal risks** – such as the protection and maintenance of intellectual property rights and potential disputes arising from third parties; and
- **Financial risks** – such as liquidity risk, interest rate fluctuations, currency fluctuations, credit risk, management of pension obligations and the Group's capital structure.

Concentric's Board of Directors and Senior management team have reviewed the development of these significant risks and uncertainties since the publication of the 2020 Annual Report and confirm that there have been no changes other than those comments made above in respect of market developments during 2021. Please refer to the Risk and Risk Management section on pages 65–68 of the 2020 Annual Report for further details.

Basis of preparation and accounting policies

This interim report for the Concentric AB Group is prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Annual Accounts Act. The report for the Parent Company is prepared in accordance with the Annual Accounts Act, Chapter 9 and applicable rules in RFR2 Accounting for legal entities.

The basis of accounting and the accounting policies adopted in preparing this interim report are consistent for all periods presented and comply with those policies stated in the 2020 Annual Report.

Concentric has operations in Argentina. During the third quarter 2018, Argentina was declared a hyperinflationary economy under the criteria in IAS 29. Concentric has assessed the impact of making the adjustments required by IAS 29 and has concluded that the impact on the Group's financial statements is non-material due to the limited extent of the operations in Argentina compared with the Group as a whole. The Group continues to monitor the situation in Argentina.

New standards, amendments and interpretations to existing standards that have been endorsed by the EU and adopted by the Group.

None of the IFRS and IFRIC interpretations endorsed by the EU are considered to have a material impact on the Group.

Financial Statements – Parent Company

Net sales and operating income

Net sales for the first quarter reflected mostly the royalty income received from the joint venture, Alfdex AB, a reduction in the royalty rate led to an operating income of MSEK 2 (5).

Net financial items and earnings before tax

Exchange rate losses on foreign liabilities to subsidiaries was MSEK 40 (58), and the remaining financial items netted to nil (-3). Accordingly, earnings before tax was MSEK -38 (-56).

Buy-back and holdings of own shares

The total number of holdings of own shares at 1 January 2021 was 123,255 (1,156,667) and shares transferred to an Employee Share Ownership Trust ("ESOT") was 304,812 (300,700). Including these shares the Company's holdings was 428,067 (1,457,367) and the total number of shares in issue was 38,297,600 (39,224,100).

The Company did not repurchase any shares during the first quarter and consequently the total holdings of own shares at the end of the quarter was 428,067 (1,457,367), which represented 1.1% (3.7) of the total number of shares.

Dividend

On 22 April 2021, the AGM resolved on the proposed dividend for the financial year 2020 of SEK 3.50 per share, totaling MSEK 133.

Parent Company's income statement

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Net sales	7	10	46	49
Operating costs	-5	-5	-19	-19
Operating income	2	5	27	30
Income from shares in subsidiaries	-	-	690	690
Income from shares in joint venture	-	-	-	-
Net foreign exchange rate differences	-40	-58	100	75
Other financial income and expense	-	-3	-15	-11
Earnings before tax	-38	-56	802	784
Taxes	8	12	-26	-22
Net income for the period¹⁾	-30	-44	776	762

1) Total Comprehensive Income for the Parent Company is the same as Net income/loss for the period.

Parent Company's balance sheet

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Shares in subsidiaries	3,149	3,149	3,149
Shares in joint venture	10	10	10
Long-term loans receivable from subsidiaries	1	2	1
Long-term loans receivable from joint venture	25	25	25
Deferred tax assets	8	34	–
Total financial fixed assets	3,193	3,220	3,185
Other current receivables	2	3	3
Short-term receivables from subsidiaries	7	82	6
Short-term receivables from joint venture	–	–	2
Cash and cash equivalents	446	454	390
Total current assets	455	539	401
Total assets	3,648	3,759	3,586
Total shareholders' equity	2,447	1,783	2,477
Pensions and similar obligations	18	18	18
Long-term loans payable to subsidiaries	1,134	881	1,041
Total long-term liabilities	1,152	899	1,059
Short-term loans payable to subsidiaries	43	1,070	43
Other current liabilities	6	7	7
Total current liabilities	49	1,077	50
Total equity and liabilities	3,648	3,759	3,586

Parent Company's changes in shareholders' equity

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Opening balance	2,477	1,827	1,827
Net income for the period	–30	–44	762
Dividend	–	–	–123
Sale of own shares to satisfy LTI options exercised	–	–	11
Buy-back of own shares	–	–	–
Closing balance	2,447	1,783	2,477

Other information

Purpose of report and forward-looking information

Concentric AB (publ) is listed on NASDAQ OMX Stockholm, Mid Cap. The information in this report is of the type that Concentric AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8.00 CET on 5 May, 2021.

This report contains forward-looking information in the form of statements concerning the outlook for Concentric's operations. This information is based on the current expectations of Concentric's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

Concentric's web site for investors

www.concentricab.com contains information about the Company, the share and insider information as well as archives for reports and press releases.

Reporting calendar for 2021

Interim report January – June 2021	July 21, 2021
Interim report January – September 2021	November 3, 2021

Further information:

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Marcus Whitehouse (CFO) at
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E-mail: info@concentricab.com

Corporate Registration Number 556828-4995
This Interim Report has not been audited.

David Woolley

President and CEO

Stockholm, 5 May, 2021
Concentric AB (publ)

Alternative Performance Measures reconciliation

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Underlying EBIT or operating income				
EBIT or operating income	95	87	284	276
Items affecting comparability:				
UK pension benefit, equalisation	–	–	3	3
Acquisition cost	–	–	1	1
Restructuring costs	–	–	11	11
Underlying operating income	95	87	299	291
Net sales	432	456	1,478	1,502
Operating margin (%)	21.9	19.1	19.2	18.4
Underlying operating margin (%)	21.9	19.1	20.2	19.4

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Underlying EBITDA or operating income before amortisation and depreciation				
EBIT or operating income	95	87	284	276
Operating amortisation/depreciation	12	10	49	47
Amortisation of purchase price allocation	9	10	37	38
EBITDA or operating income before amortisation and depreciation	116	107	370	361
UK pension benefit, equalisation	–	–	3	3
Acquisition cost	–	–	1	1
Restructuring costs	–	–	11	11
Underlying EBITDA or underlying operating income before amortisation and depreciation	116	107	385	376
Net sales	432	456	1,478	1,502
EBITDA margin (%)	26.7	23.4	25.1	24.1
Underlying EBITDA margin (%)	26.7	23.4	26.1	25.1

	Jan-Mar		Apr-Mar	Jan-Dec
	2021	2020	2020/21	2020
Net income before items affecting comparability				
Net income	72	60	217	205
Items affecting comparability after tax	–	–	11	11
Net income before items affecting comparability	72	60	229	216
Basic average number of shares (000)	37,870	37,767	37,840	37,815
Basic earnings per share	1.90	1.60	5.73	5.43
Basic earnings per share before items affecting comparability	1.90	1.60	6.02	5.73

Net debt	31 Mar 2021	31 Mar 2020	31 Dec 2020
Pensions and similar obligations	355	509	462
Liabilities for right of use fixed assets	133	99	129
Other long term interest bearing liabilities	—	—	—
Other short term interest bearing liabilities	—	1	—
Total interest bearing liabilities	488	609	591
Cash and cash equivalents	-578	-582	-505
Total net debt	-90	27	86
Net debt, excluding pension obligations	-445	-482	-376

Capital employed	31 Mar 2021	31 Mar 2020	31 Dec 2020
Total assets	2,248	2,306	2,047
Interest bearing financial assets	-28	-29	-29
Cash and cash equivalents	-578	-582	-505
Tax assets	-123	-186	-138
Non interest bearing assets (excl taxes)	1,519	1,509	1,375
Non interest bearing liabilities (incl taxes)	-446	-442	-387
Tax liabilities	92	113	93
Non interest bearing liabilities (excl taxes)	-354	-329	-294
Total capital employed	1,165	1,180	1,081

Working capital	31 Mar 2021	31 Mar 2020	31 Dec 2020
Accounts receivable	227	223	182
Other current receivables	67	60	63
Inventory	142	158	120
Working capital assets	436	441	365
Accounts payable	-207	-186	-154
Other current payables	-222	-232	-215
Working capital liabilities	-429	-418	-369
Total working capital	7	23	-4

Graph data summary

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Americas									
Sales, MSEK	174	153	138	172	189	179	203	237	244
Book-to-bill, %	141	102	112	72	111	91	97	89	92
Operating income before items affecting comparability, MSEK	26	36	18	20	21	58	28	38	37
Operating margin before items affecting comparability, %	14.9	23.4	13.3	11.2	11.3	32.3	14.1	15.8	15.3
Europe & RoW									
Sales (including Alfdex), MSEK	345	301	251	220	336	334	320	383	394
Book-to-bill, %	120	117	116	86	85	103	91	88	97
Operating income before items affecting comparability, MSEK	76	64	42	30	68	80	63	84	90
Operating margin before items affecting comparability, %	22.1	21.2	16.6	13.8	20.2	24.1	19.7	22.0	22.8
Total									
Sales (including Alfdex), MSEK	519	454	389	392	525	513	523	620	638
EBIT before items affecting comparability, MSEK	102	100	60	50	89	138	91	122	127
Alfdex eliminations									
Sales, MSEK	-87	-74	-64	-50	-69	-83	-60	-67	-73
Operating income before items affecting comparability, MSEK	-7	-1	-3	-2	-2	-4	1	-1	-1
Group									
Sales (excluding Alfdex), MSEK	432	380	325	342	456	430	463	553	566
Book-to-bill, %	127	112	115	79	94	99	94	88	95
Operating income before items affecting comparability, MSEK	95	99	57	48	87	134	91	121	126
Operating margin before items affecting comparability, %	21.9	26.0	17.5	14.2	19.1	31.1	19.8	21.9	22.2
Basic earnings per share, SEK	1.90	2.32	1.06	0.44	1.60	1.87	1.67	2.39	2.43
Return on equity, %	18.0	17.5	16.2	18.7	25.4	29.5	34.4	39.0	39.5
Cash flow from operating activities per share, SEK	1.91	3.09	1.36	2.30	2.15	1.53	2.53	3.32	2.65
Working capital as % of annualised sales	0.5	-0.3	-2.0	-2.2	1.2	0.9	-0.9	-0.9	-0.7
Net debt, MSEK	-90	86	-69	-67	27	54	207	102	27
Gearing ratio, %	-7	8	-6	-6	2	5	20	10	2
Gearing ratio (excl Pensions), %	-34	-35	-43	-45	-38	-39	-44	-38	-42



Glossary

Americas

Americas operating segment comprising the Group's operations in the USA and South America.

APM

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

EHS

Electro Hydraulic Steering

ESOT

Employee Share Ownership Trust

Europe & RoW

Europe and the rest of the world operating segment comprising the Group's operations in Europe, India and China.

JSOP

Long-term incentive program to participants' resident in the United Kingdom to take part in a Joint Share Ownership Plan.

LTI

Long term incentive.

Net investments in fixed assets

Fixed asset additions net of fixed asset disposals and retirements.

OEMs

Original Equipment Manufacturers.

Off-highway

Collective term for industrial applications, agricultural machinery and construction equipment end-markets.

Order backlog

Customer sales orders received which will be fulfilled over the next three months.

R&D expenditure

Research and development expenditure.

Tier 1, Tier 2-supplier

Different levels of sub suppliers, typical within the automotive industry

Definitions

Book-to-bill

Total sales orders received and booked into the order backlog during a three month period, expressed as a percentage of the total sales invoiced during that same three month period.

Book-to-bill is used as an indicator of the next quarter's net sales in comparison to the sales in the current quarter.

Capital employed

Total assets less interest bearing financial assets and cash and cash equivalents and non-interest bearing liabilities, excluding any tax assets and tax liabilities.

Capital employed measures the amount of capital used and serves as input for return on capital employed.

Drop-through/drop-out rate

Year-on-year movement in operating income as a percentage of the year-on-year movement in net sales.

This measure shows operating leverage of the business, based on the marginal contribution from the year-on-year movement in net sales.

EBITDA

Earnings before interest, taxes, depreciation and amortisation.

EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.

EBITDA margin

EBITDA as a percentage of net sales.

EBITDA margin is used for measuring the cash flow from operating activities.

EBIT or Operating income

Earnings before interest and tax.

This measure enables the profitability to be compared across locations where corporate taxes differ and irrespective the financing structure of the Company.

EBIT or Operating margin

Operating income as a percentage of net sales.

Operating profit margin is used for measuring the operational profitability.

EPS

Earnings per share, net income divided by the average number of shares.

The earnings per share measure the amount of net profit that is available for payment to its shareholders per share.

Equity per share

Equity at the end of the period divided by number of shares at the end of the period.

Equity per share measures the net-asset value backing up each share of the Company's equity and determines if a Company is increasing shareholder value over time.

Gearing ratio

Ratio of net debt to shareholders' equity.

The net gearing ratio measures the extent to which the Company is funded by debt. Because cash and overdraft facilities can be used to pay off debt at short notice, this is calculated based on net debt rather than gross debt.

Gross margin

Net sales less cost of goods sold, as a percentage of net sales.

Gross margin measures production profitability.

Net debt

Total interest-bearing liabilities, including pension obligations and liabilities for leases, less liquid funds.

Net debt is used as an indication of the ability to pay off all debts if these were to fall due simultaneously on the day of calculation, using only available cash and cash equivalents.

ROCE

Return on capital employed; EBIT or Operating income as a percentage of the average capital employed over rolling 12 months.

Return on capital employed is used to analyse profitability, based on the amount of capital used. The leverage of the Company is the reason that this metric is used next to return on equity, because it not only includes equity, but taken into account other liabilities as well.

ROE

Return on equity; net income as a percentage of the average shareholders' equity over rolling 12 months.

Return on equity is used to measure profit generation, given the resources attributable to the Parent Company owners.

Sales growth, constant currency

Growth rate based on sales restated at prior year foreign exchange rates

This measurement excludes the impact of changes in exchange rates, enabling a comparison on net sales growth over time.

Structural growth

Sales growth derived from new business contracts, i.e. not from changes in market demand or replacement business contracts

Structural changes measure the contribution of changes in Group structure to net sales growth.

“Underlying” or “before items affecting comparability”

Adjusted for restructuring costs, impairment, pension curtailment gains/losses and other specific items (including the taxation effects thereon, as appropriate)

Enabling a comparison of operational business.

Working capital

Current assets excluding cash and cash equivalents, less non-interest-bearing current liabilities Working capital is used to measure the Company's ability, besides cash and cash equivalents, to meet current operational obligations.



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